M121

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WDO
ONTARIO WASTE DIVERSION ORGANIZATION

WDO Guiding Principles For Development Of Long-Term Sustainable Funding Mechanisms For Municipal Waste Diversion and HSW Management Programs

August 9, 2000

Secretariat to WDO:
CSR
CORPORATIONS SUPPORTING RECYCLING

Preamble:

These guiding principles are developed in accordance with Part IV "C" and "D" of the Memorandum of Understanding (MOU) setting out the goals and objectives of the Ontario Waste Diversion Organization. As such, they are intended to guide the development of long-term sustainable funding mechanisms to support municipal waste diversion programs.

Given that the parties to the MOU have confirmed their continued commitment to reduction, reuse, recycling and treatment of residential wastes (including organic and household special wastes) toward Ontario's goal of 50% waste diversion from disposal; and
given that a transition period is required to provide adequate time for:

- manufacturers to modify existing production and packaging practices
- elected officials to educate their constituents and to modify current waste management policies and practices
- manufacturers, municipalities and NGO's to educate consumers/residents to modify their product use and waste management practices
- development of appropriate infrastructure
- markets for recoverable materials to be strengthened

The following principles will guide the development of long-term sustainable funding mechanisms to support waste diversion and HSW management programs for an initial five-year period. It is intended that these guiding principles will be reviewed at that time. Issues to be taken into consideration when applying these principles to specific waste streams are noted.

Principle 1

A long-term, sustainable funding mechanism shall be structured to provide incentives for municipalities and industry to improve the environmental effectiveness and economic efficiency of waste diversion programs within the overall waste management system.

Municipalities shall have an incentive to optimize their programs through a process of continuous improvement and the use of market forces to encourage the adoption of best practices and lowest costs.

Industry, collectively, shall have an incentive to minimize resource use, to design for recyclability and to develop economic uses for recoverable materials.

Material Specific Issues to be considered:

Recycling
- taking into consideration these materials that can be recovered at least cost

Organics
- Role for industry less relevant to this waste stream

Household Special Waste
- Development of a criteria based HSW definition required
- Consumers need to be educated to modify their product use as well as their waste management practices

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Principle 2

A long-term, sustainable funding mechanism shall encourage increased diversion of materials, towards the goal of 50% diversion from disposal, in a manner which is environmentally appropriate, cost effective and socially acceptable to each municipality.

Municipalities agree to put in place diversion programs and policies, including adequate financial arrangements, which encourage increased diversion of waste from disposal at the lowest environmental and economic cost.

Industry, collectively, agrees to provide its share of financial support for these programs in a manner which achieves increased recovery of those materials most appropriate to meeting the overall waste diversion goal of 50% at the lowest environmental and economic cost

Material Specific Issues to be considered:

Recycling
- Towards 50% diversion on a province-wide basis

Organics
- Maximum flexibility in approaches required in recognition of the regional diversity of the province

Household Special Waste
- Is less than 1% of residential waste
- First priority is to minimize such waste
- Second, provide for safe and efficient treatment
- Maximize diversion of the remainder

Principle 3

Financial responsibility for municipal waste diversion programs shall be shared among consumers, government and industry.

Municipalities shall retain the responsibility for providing efficient waste management programs, including waste diversion programs; for providing full and accurate accounting of the costs of these services; and for at least 50% of the net costs associated with the operation of these programs.

Industry, collectively, shall have a responsibility for up to 50% of the net costs of efficient residential materials recycling and HSW management programs; for providing adequate financial contributions; and have the opportunity to provide advice and additional support services to reduce these costs.

Material Specific Issues to be considered:

Recycling
- WDO funding allocation formula to be based upon agreed efficiency standards
- A portion of WDO funds to be allocated to reward/invest in improved program efficiencies
- Industry to retain control of the collection of their funds

Organics
- There is no direct link to industry responsibility for the significant majority of these wastes
- Costs for organic waste diversion are expected to fall largely to the public sector/generator

Household Special Waste
- Includes shared responsibility for educating consumers/residents to modify their product use and waste management practices
- Empty packaging to be managed within municipal recycling programs wherever possible

Principle 4

Municipalities and industry are each responsible for the design and implementation of programs to meet their responsibilities, including financial arrangements.

Municipalities shall be responsible for accurate measurement and reporting of the costs of waste diversion programs and for providing adequate financial support for their share of these costs, in a manner which is appropriate to their community.

Industry, collectively and under the auspices of the WDO, shall be responsible for the design, implementation and management of a support program that raises funds from participating companies on an equitable basis, in an administratively efficient manner, to provide sufficient financing to meet its agreed share of costs.

Material Specific Issues to be considered

Recycling
- Must include a level playing field for competing industry sectors

Organics
- Provincial support may be required to achieve 50% diversion goal

Household Special Waste
- Must include a level playing field for competing industry sectors

Principle 5

The Province of Ontario is responsible for putting in place sufficient enforcement mechanisms, which may include regulation, to meet the goals and objectives of the WDO in a timely manner, to minimize free riders and to provide a level playing field for companies competing within industry sectors. These mechanisms must recognize the diversity of municipalities and industries in Ontario and allow for maximum flexibility in the design and implementation of the programs required to meet the objectives of the WDO. These mechanisms must not disadvantage Ontario industries.

The Province of Ontario is responsible for putting in place sufficient enforcement mechanisms to ensure action on the part of municipalities and industry, and to provide a clear, predictable framework for WDO program planning and implementation.

Considerations

Recycling
- Industries which produce and distribute packaged consumer goods believe that a level playing field regulation is essential

Organics
- Provincial intervention will likely be required

Household Special Waste
- Level playing field regulation considered essential

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